

**MOR-1**

CASE NAME: DHC Realty, LLC  
CASE NUMBER: 11-30977-HCM  
PROPOSED PLAN DATE: \_\_\_\_\_

**UNITED STATES BANKRUPTCY COURT**

PETITION DATE: 05/23/11  
DISTRICT OF TEXAS: Western  
DIVISION: El Paso

**MONTHLY OPERATING REPORT SUMMARY FOR MONTH**

	YEAR				2011
	May	June	July	August	September
REVENUES (MOR-6)	0.00	45,000.00	0.00	0.00	0.00
INCOME BEFORE INT; DEPREC./TAX (MOR-6)	-34.12	44,945.15	0.00	0.00	0.00
NET INCOME (LOSS) (MOR-6)	-34.12	23,392.44	0.00	0.00	0.00
PAYMENTS TO INSIDERS (MOR-9)	0.00	0.00	0.00	0.00	0.00
PAYMENTS TO PROFESSIONALS (MOR-9)	0.00	0.00	0.00	0.00	0.00
TOTAL DISBURSEMENTS (MOR-8)	34.12	39,749.22	0.00	0.00	0.00

\*\*\*The original of this document must be filed with the United States Bankruptcy Court and a copy must be sent to the United States Trustee\*\*\*

REQUIRED INSURANCE MAINTAINED		EXP. DATE
AS OF SIGNATURE DATE		
CASUALTY	YES X NO	10/4/2011
LIABILITY	YES X NO	10/4/2011
VEHICLE	YES X NO	10/4/2011
WORKER'S	YES NO X	10/4/2011
OTHER	YES X NO	10/4/2011

Are all accounts receivable being collected within terms?  
Are all post-petition liabilities, including taxes, being paid within terms?  
Have all tax returns and other required government filings been timely paid?  
If so, describe  
Are all funds received being deposited into Debtor in Possession bank accounts?  
Were any assets disposed of outside the normal course of business?  
If so, describe  
Are all U.S. Trustee Quarterly Fee Payments current?  
What is the status of your Plan of Reorganization?

CIRCLE ONE  
Yes No  
Yes No  
Yes No  
Yes No  
Yes No  
Yes No  
Yes No  
Yes No

In Progress

ATTORNEY NAME: Corey W. Haugland  
FIRM NAME: James & Haugland, P.C.  
ADDRESS: P.O. Box 1770

CITY, STATE, ZIP: El Paso, TX 79949-1770  
TELEPHONE/FAX: (915) 532-3911/(915) 541-6440

**MOR-1**

I certify under penalty of perjury that the following complete  
Monthly Operating Report (MOR), consisting of MOR-1 through  
MOR-9 plus attachments, is true and correct.

SIGNED David Chowalki TITLE: President  
(OBJECTIVE SIGNATURE)

David Chowalki

(PRINT NAME OF SIGNATORY)

DATE Revised 11/08/05

INITIALS \_\_\_\_\_

DATE \_\_\_\_\_

UST USE ONLY

CASE NAME: DHC Realty, LLC  
CASE NUMBER: 11-30977-HCM

### COMPARATIVE BALANCE SHEETS

ASSETS	FILING DATE*	MONTH May-11	MONTH Jun-11	MONTH	MONTH	MONTH	MONTH
CURRENT ASSETS	5/23/2011						
Cash	257.81	473.69	5,724.47				
Accounts Receivable, Net	959,596.83	959,596.83	959,596.83				
Inventory: Lower of Cost or Market							
Prepaid Expenses							
Investments							
Other							
TOTAL CURRENT ASSETS	959,854.64	960,070.52	965,321.30	0.00	0.00	0.00	0.00
PROPERTY, PLANT & EQUIP. @ COST	8,487,790.24	8,487,790.24	8,487,790.24				
Less Accumulated Depreciation	0.00	0.00					
NET BOOK VALUE OF PP & E	8,487,790.24	8,487,790.24	8,487,790.24	0.00	0.00	0.00	0.00
OTHER ASSETS							
1. Tax Deposits	0.00	0.00					
2. GECU Claims	Unknown	Unknown	Unknown				
3. Electric Deposit	0.00	0.00	0.00				
4. K Simon Construction of Texas Inc	Unknown	Unknown	Unknown				
TOTAL ASSETS	\$9,447,644.88	\$9,447,860.76	\$9,453,111.54	\$0.00	\$0.00	\$0.00	\$0.00

\* Per Schedules and Statement of Affairs

MOR-2

Revised 11/06/05

CASE NAME: DHC Realty, LLC  
CASE NUMBER: 11-30977-HCM

### COMPARATIVE BALANCE SHEETS

LIABILITIES & OWNER'S EQUITY	FILING DATE *	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	5/23/2011	May-11	Jun-11					
<b>LIABILITIES</b>								
POST-PETITION LIABILITIES(MOR-1)	0.00	0.00						
<b>PRE-PETITION LIABILITIES</b>								
Notes Payable - Secured	5,980,430.47	5,980,430.47	5,962,288.81					
Priority Debt	0.00	0.00	0.00					
Federal Income Tax	0.00	0.00	0.00					
FICA/Withholding	0.00	0.00	0.00					
Unsecured Debt	1,964,208.55	1,964,208.55	1,964,208.55					
Other								
TOTAL PRE-PETITION LIABILITIES	7,944,639.02	7,944,639.02	7,926,497.36	0.00	0.00	0.00	0.00	0.00
<b>TOTAL LIABILITIES</b>	7,944,639.02	7,944,639.02	7,926,497.36	0.00	0.00	0.00	0.00	0.00
<b>OWNER'S EQUITY (DEFICIT)</b>								
PREFERRED STOCK	0.00	0.00	0.00					
COMMON STOCK	0.00	0.00	0.00					
ADDITIONAL PAID-IN CAPITAL	0.00	0.00	0.00					
RETAINED EARNINGS: Filing Date	1,503,005.86							
RETAINED EARNINGS: Post Filing Date	0.00	1,503,221.74	1,526,614.18	0.00				
TOTAL OWNER'S EQUITY (NET WORTH)	1,503,005.86	1,503,221.74	1,526,614.18	0.00	0.00	0.00	0.00	0.00
<b>TOTAL</b>								
<b>LIABILITIES &amp; OWNERS EQUITY</b>	\$9,447,644.88	\$9,447,860.76	\$9,453,111.54	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\* Per Schedules and Statement of Affairs

**MOR-3**

Revised 11/08/05

CASE NAME: DHC Realty, LLC  
CASE NUMBER: 11-30977-HCM

### SCHEDULE OF POST-PETITION LIABILITIES

	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH	MONTH
	May-11	Jun-11					
<b>TRADE ACCOUNTS PAYABLE</b>							
<b>TAX PAYABLE</b>							
Federal Payroll Taxes	0.00	0.00					
State Payroll Taxes	0.00	0.00					
Ad Valorem Taxes	0.00	0.00					
Other Taxes	0.00	0.00					
<b>TOTAL TAXES PAYABLE</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>SECURED DEBT POST-PETITION</b>	39,724.36	39,694.38					
<b>ACCRUED INTEREST PAYABLE</b>							
<b>ACCRUED PROFESSIONAL FEES*</b>							
<b>OTHER ACCRUED LIABILITIES</b>							
1.							
2.							
3.							
<b>TOTAL POST-PETITION LIABILITIES (MOR-3)</b>	\$39,724.36	\$39,694.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

\*Payment requires Court Approval

**MOR-4**

Revised 11/08/05

CASE NAME: DHC Realty, LLC  
CASE NUMBER: 11-30977-HCM

AGING OF POST-PETITION LIABILITIES  
MONTH June-11

DAYS	TOTAL	TRADE ACCOUNTS	FEDERAL TAXES	STATE TAXES	AD VALOREM, OTHER TAXES	MONTH
0-30	39,694.38					
31-60	0.00					
61-90	0.00					
91+	0.00					
TOTAL	\$39,694.38	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

AGING OF ACCOUNTS RECEIVABLE

MONTH						
0-30 DAYS	0.00	0.00				
31-60 DAYS	0.00					
61-90 DAYS	0.00					
91+ DAYS	0.00					
TOTAL	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

MOR-5

Revised 11/06/05

CASE NAME: DHC Realty, LLC  
CASE NUMBER: 11-30977-HCM

## STATEMENT OF INCOME (LOSS)

	MONTH	May-11	MONTH	Jun-11	MONTH	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
REVENUES (MOR-1)		0.00		45,000.00						45,000.00
TOTAL COST OF REVENUES		0.00								0.00
GROSS PROFIT		0.00		45,000.00		0.00		0.00		45,000.00
OPERATING EXPENSES:										
Selling & Marketing		0.00								0.00
General & Administrative		0.00								0.00
Insiders Compensation		0.00								0.00
Professional Fees		0.00								0.00
Other		34.12		54.85						88.97
Other		0.00		0.00						0.00
TOTAL OPERATING EXPENSES		34.12		54.85		0.00		0.00		88.97
INCOME BEFORE INT. DEPR/TAX (MOR-1)		-34.12		44,945.15		0.00		0.00		44,911.03
INTEREST EXPENSE		0.00		21,552.72						21,552.72
DEPRECIATION		0.00								0.00
OTHER (INCOME) EXPENSE*		0.00		-0.01						-0.01
OTHER ITEMS**		0.00								0.00
TOTAL INT. DEPR & OTHER ITEMS		0.00		21,552.71		0.00		0.00		21,552.71
NET INCOME BEFORE TAXES		-34.12		23,392.44		0.00		0.00		23,358.32
FEDERAL INCOME TAXES										0.00
NET INCOME (LOSS) (MOR-1)		(\$34.12)		\$23,392.44		\$0.00		\$0.00		\$23,358.32

Accrual Accounting Required, Otherwise Footnote with Explanation.

\* Footnote Mandatory.

\*\* Unusual and/or infrequent item(s) outside the ordinary course of business requires footnote.

**MOR-6**

Revised 1/10/05

CASH RECEIPTS AND DISBURSEMENTS	MONTH May-11	MONTH Jun-11	MONTH	MONTH	MONTH	MONTH	FILING TO DATE
1. CASH-BEGINNING OF MONTH	\$257.81	\$473.69					\$257.81
RECEIPTS:							
2. CASH SALES	0.00	0.00					0.00
3. COLLECTION OF ACCOUNTS RECEIVABLE	0.00	0.00					0.00
4. LOAN'S & ADVANCES (attach list)	0.00	0.00					0.00
5. SALE OF ASSETS	0.00	0.00					0.00
6. OTHER (attach list)	250.00	45,000.00					45,250.00
TOTAL RECEIPTS**	250.00	45,000.00	0.00	0.00	0.00	0.00	45,250.00
(Withdrawal) Contribution by Individual Debtor MFR-2*							0.00
DISBURSEMENTS:							
7. NET PAYROLL	0.00	0.00					0.00
8. PAYROLL TAXES PAID	0.00	0.00					0.00
9. SALES, USE & OTHER TAXES PAID	0.00	0.00					0.00
10. SECURED/RENTAL/LEASES	0.00	0.00					0.00
11. UTILITIES & TELEPHONE	0.00	0.00					0.00
12. INSURANCE	0.00	0.00					0.00
13. INVENTORY PURCHASES	0.00	0.00					0.00
14. VEHICLE EXPENSES	0.00	0.00					0.00
15. TRAVEL & ENTERTAINMENT	0.00	0.00					0.00
16. REPAIRS, MAINTENANCE & SUPPLIES	0.00	0.00					0.00
17. ADMINISTRATIVE & SELLING	0.00	0.00					0.00
18. ADEQUATE PROTECTION PAYMENT(S)	0.00	0.00					0.00
19. OTHER (attach list)	34.12	39,749.22					39,783.34
TOTAL DISBURSEMENTS FROM OPERATIONS	34.12	39,749.22	0.00	0.00	0.00	0.00	39,783.34
19. PROFESSIONAL FEES	0.00						0.00
20. U.S. TRUSTEE FEES	0.00						0.00
21. OTHER REORGANIZATION EXPENSES (attach list)	0.00						0.00
TOTAL DISBURSEMENTS**	34.12	39,749.22	0.00	0.00	0.00	0.00	39,783.34
22. NET CASH FLOW	215.88	5,250.78	0.00	0.00	0.00	0.00	5,466.66
23. CASH - END OF MONTH (MOR-2)	\$473.69	\$5,724.47	\$0.00	\$0.00	\$0.00	\$0.00	\$5,724.47

\* Applies to Individual debtors only

**\*\*Numbers for the current month should balance (match)**

RECEIPTS and CHECKS/OTHER DISBURSEMENTS lines on MOR-8

Revised 11/28/05

**MOR-7**

CASE NAME: DHC Realty, LLC  
CASE NUMBER: 11-30977-HCM

**CASH ACCOUNT RECONCILIATION**  
**MONTH OF** June-11

BANK NAME	Bank of the West	#	PAYROLL	#	TAX	OTHER FUNDS	TOTAL
ACCOUNT NUMBER	# 413XXX						
ACCOUNT TYPE	OPERATING						
BANK BALANCE	5,724.47						\$5,724.47
DEPOSITS IN TRANSIT	0.00						\$0.00
OUTSTANDING CHECKS	0.00						\$0.00
ADJUSTED BANK BALANCE	\$5,724.47		\$0.00		\$0.00		\$5,724.47
BEGINNING CASH - PER BOOKS	473.69						\$473.69
RECEIPTS*	45,000.00						\$45,000.00
TRANSFERS BETWEEN ACCOUNTS	0.00						\$0.00
(WITHDRAWAL) OR CONTRIBUTION BY INDIVIDUAL DEBTOR MFR-2	0.00						\$0.00
CHECKS/OTHER DISBURSEMENTS*	39,749.22						\$39,749.22
ENDING CASH - PER BOOKS	\$5,724.47		\$0.00		\$0.00	\$0.00	\$5,724.47

**MOR-8**

\*Numbers should balance (match) TOTAL RECEIPTS and  
TOTAL DISBURSEMENTS lines on MOR-7

Revised 11/08/05



CASE NAME: DHC Realty, LLC  
CASE NUMBER: 11-30977-HCM

## PAYMENTS TO INSIDERS AND PROFESSIONALS

Of the total disbursements shown for the month, list the amount paid to insiders (as defined in Section 101(31)(A)-(F) of the U.S. Bankruptcy Code) and the professionals.  
Also, for insiders, identify the type of compensation paid (e.g., salary, commission, bonus, etc.). (Attach additional pages as necessary).

INSIDERS: NAME/COMP TYPE	MONTH	5/31/2011	MONTH	6/30/2011	MONTH	MONTH	MONTH	MONTH	MONTH
1. David Chowaiki		0.00		0.00					
2. Hillel Chowaiki		0.00		0.00					
3.									
4.									
5.									
6.									
TOTAL INSIDERS (MOR-I)		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00

PROFESSIONALS	MONTH	5/31/2011	MONTH	6/30/2011	MONTH	MONTH	MONTH	MONTH	MONTH
1.									
2.									
3.									
4.									
5.									
6.									
TOTAL PROFESSIONALS (MOR-I)		\$0.00		\$0.00		\$0.00		\$0.00	\$0.00

**MOR-9**

Revised 11/04/05